E-Rate Central / CentralEd



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Winston E. Himsworth

January 18, 2018

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street SW Washington, DC 20554

Re: CC Docket No. 02-6: Middletown School District Petition

for Waiver of FY 2016 Service Delivery Deadline

Billed Entity Number: 123738 Form 471 Number: 161056140 Funding Request Number: 1699130222

Funding Year: 2016

Dear Ms. Dortch,

Consistent with precedent, E-Rate Central hereby requests an extension of the service implementation deadline for the completion of a large, multi-school, wireless network for the Middletown School District (NY).

Background:

In its Category 2 application for FY 2016, Middletown successfully filed for discounts on the purchase, installation, activation, and initial configuration of over 1,000 wireless access points ("WAPs") for deployment in the district's six schools. The total pre-discount cost of the equipment and services was just over \$1 million. Middletown is a poor district, qualifying for an 85% Category 2 discount, so E-rate funding is critical to the completion of the wireless system. Middletown's FY 2016 Category 2 application (# 161056140) was approved by USAC in Wave 17 dated October 17, 2016.

To provide further financial support, Middletown planned to use a portion of its allocated State technology funding available under New York's Smart Schools Bond Act¹ ("SSBA") to cover the district's non-discount expenses. Confirmation of New York's corresponding SSBA funding was not received until the summer of 2017.

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¹ SSBA funding is provided under a program, <u>recognized by USAC</u> as a qualified source of matching state funding for Category 1 special construction charges, but it is also available to New York schools to support Category 2 type equipment purchase and installation. Middletown's allocation of the State's SSBA funding is \$6.9 million.

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Middletown's service provider, Core BTS, began installation last summer, but was unable to complete the project by September 30, 2017, the initial Service Delivery Deadline ("SDD"). As of the September 30th date, approximately one-quarter of the project had been completed. At that point, Core BTS suspend further work on the project pending resolution of an SDD extension. Unfortunately, due to EPC miscoordination between the district and E-Rate Central, the district's Form 500 request for an SDD extension was not filed until October 24, 2017, and was subsequently denied by USAC as being filed late.

E-Rate Central believes that there are strong grounds for the FCC to grant a one-year SDD extension to permit Core BTS to complete Middletown's WAP project. Most importantly from an FCC rules standpoint, the delays experienced were beyond the service provider's control. Although late SSBA approval was a contributing factor to last summer's project start, the major reason for the delay in the WAP installation at that point was a limitation in district manpower whose technical resources were tied up in a multimillion dollar high school capital project needing to be completed prior to the opening of the school in early September.

A secondary but practical reason for granting an extension for this FY 2016 FRN is that the project has already been funded and is ready to resume upon extension approval. POs for the remaining equipment, whose delivery is being planned to coincide with installation, are ready to go. Should an extension not be granted, the district would need to cancel committed funding and reapply for FY 2018. This would be inefficient in terms of both time for system deployment and procedurally for USAC and the applicant.

Please note that the late filing of this extension request with USAC was a ministerial error, and there are no indications of waste, fraud, or abuse.

Precedent:

Ample precedent exists for the FCC to grant a late-filed SDD extension request, and to do so as a streamlined resolution related to actions by USAC. The two most recent streamlined service delivery extensions (in DA 16-1448 and DA 17-385)² were granted "when applicants demonstrated

² The two streamlined decisions referenced, respectively, in the *Accelerated Charter Order* and the waiver request decision in the case of *Annette Island School District et al.* In both instances, the FCC approved extension requests filed within a few weeks of the SDD deadline (as is the case here), but denied late-filed requests that had languished for months or a year.

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they were unable to complete implementation on time for reasons beyond the service providers' control" (as in this case) and when the applicant "made significant efforts to secure the necessary extensions" (by filing extension requests within several weeks of the deadline).

E-Rate Central believes there is good cause and precedent for the FCC to grant a one-year Service Delivery Deadline extension to Middletown School District to permit the district and its supplier to complete its six-school wireless network project in a timely and efficient manner. To facilitate the earliest possible resumption of Middletown's wireless network installation, we encourage the FCC to approve this extension in an upcoming streamlined decision.

Sincerely,

Winston E. Himsworth Executive Director

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CC: James Bachtell, WCB